SCHEDULE K-1

FORM N-35 (REV. 2010)

Shareholder's identifying number >

Shareholder's name, address, and Postal/ZIP code

STATE OF HAWAII — DEPARTMENT OF TAXATION

SHAREHOLDER'S SHARE OF INCOME, CREDITS, DEDUCTIONS, ETC.

2010

For calendar year 2010 or tax year							
beginning	, 2010 and ending	, 20					
(NOTE: Prepare in triplicate. (1) File with N-35. (2) For S corp. (3) For shareholder.)							

Corporation's Federal identifying number (FEIN)

Corporation's name, address, and Postal/ZIP code

Ā		(1) Shareholder's percentage of stock ownership for tax year ➤ % and (2) Number of shares owned by shareholder at tax year end ➤ (See Instructions for Schedule K-1)								
В	3 Check applicable boxes: (1) ☐ Final K-1 (2) ☐ Amended K-1									
Caution: Refer to Shareholder's Instructions for Schedule K-1 before entering information from Schedule K-1 on your tax return.										
(a) Pro rata share items		(a) Pro rata share items	(b) Attributable to Hawaii	(c) Attributable Elsewhere	(d) Form N-11*/ N-15** filers enter the amounts in col. (b) and col. (c) on:					
Income (Losses)	3	Ordinary income (loss) from trade or business activities Net income (loss) from rental real estate activities Net income (loss) from other rental activities Portfolio income (loss): a Interest b Ordinary Dividends c Royalties d Net short-term capital gain (loss) e Net long-term capital gain (loss) Net section 1231 gain (loss) (other than due to casualty or theft) Other income (loss) (attach schedule)			See Shareholder's Instructions for Schedule K-1 (N-35). Interest Worksheet Line 9 See Shareholder's Instructions. Capital Gain/Loss Worksheet Capital Gain/Loss Worksheet Schedule D-1, line 2 (Enter on applicable line of your return)					
Deductions	9 10				Worksheet A-4, PY-4, or NR-4 See Shareholder's Instructions. Worksheet A-6, PY-6, or NR-6 (Enter on applicable line of your return)					
Investment Interest	11	a Interest expense on investment debts			Form N-158, line 1 See Shareholder's Instructions for Schedule K-1 (N-35).					

* For Form N-11 filers, if your federal Schedule K-1(Form 1120S) and Hawaii Schedule K-1 (Form N-35) amounts are different, the necessary adjustments are to be made in the Hawaii Additions Worksheet and/or Hawaii Subtractions Worksheet in the Form N-11 Instructions.

**For Form N-15 filers, the referenced worksheets are located in the Form N-15 Instructions.

Purpose of Schedule K-1 — The S corporation uses Schedule K-1 (Form N-35) to report to you your share of the corporation's income (reduced by any tax the corporation paid on the income), credits, deductions etc. Please keep it for your records.

Although the corporation is subject to a built-in gains tax, an excess net passive income tax, and a LIFO recapture tax; you, the shareholder, are liable for the income tax on your share of the corporation's income, whether or not distributed, and you must include your share on your tax return.

Use these instructions to help you report the items shown on Schedule K-1 on your Hawaii income tax return. Where "(attach schedule)" appears on lines 6, 8, 9, 10, and 18a, it means the information for these lines (if applicable) will be shown on line 25, or if additional space was needed, the corporation will have attached a statement to your Schedule K-1 to show the information. The notation "(See

Instructions for Schedule K-1)" in item A is directed only to the corporation.

Schedule K-1 does not show the amount of actual dividend distributions the corporation paid to you. The corporation must report to you such amounts on Form 1099-DIV. Resident shareholders' actual dividend distributions are already included in federal adjusted gross income (federal AGI) for Form N-11 filers.

Schedule K-1 now provides you with information relating to the source of your share of the income of the S corporation. This is required under provisions of section 235-128, Hawaii Revised Statutes. How this income is reported by you to the State of Hawaii depends on your residency status. Shareholders who are Hawaii residents are to report the total sum of the income, deductions, and credits attributable to Hawaii and the income, deductions, and credits attributable elsewhere. Shareholders who are

not residents of Hawaii or who are part-year residents of Hawaii are to use amounts attributable to Hawaii and the total sum of amounts attributable to Hawaii and amounts attributable elsewhere in preparing their Hawaii income tax returns. Income attributable to Hawaii is reported by all shareholders net of adjustments allowed to corporations. The total of your share of these adjustments is shown on line 18a and are explained on line 25. Items of income or deductions should be reported on your return net of these adjustments. Resident shareholders may make an adjustment to income reported on their net income tax return for interest penalty on early withdrawal of savings, if a penalty was imposed on the early withdrawal of savings by the S corporation and the interest income is not attributable to Hawaii. The amount of this deduction appears on line 19.

(a) Pro rata share items			(b) Attributable to Hawaii	(c) Attributable Elsewhere	(d) Form N-11/N-15 filers enter on:
	12	a Fuel Tax Credit for Commercial Fishers			Form N-163
		b Total cost of qualifying property for the Capital Goods Excise Tax Credit			Form N-312, Part I
		c Amounts needed to claim the Enterprise Zone Tax Credit	See attached Form N-756A.		Form N-756
		d Hawaii Low-Income Housing Tax Credit			Form N-586
		e Credit for Employment of Vocational Rehabilitation Referrals			Form N-884
		f Motion Picture, Digital Media, and Film Production Income			1 5111111 55 1
		Tax Credit			Form N-340
		g Technology Infrastructure Renovation Tax Credit			Form N-326
		h High Technology Business Investment Tax Credit			Form N-318
		i Tax Credit for Research Activities			Form N-319
its		j Credit for School Repair and Maintenance.			Form N-330
Credits		k Ethanol Facility Tax Credit			Form N-324
J		I Renewable Energy Technologies Income Tax Credit	See attached Form N-342A.		Form N-342
		m Ko Olina Resort and Marina Attractions and Educational Facilities			
		Tax Credit			Form N-336
		n Important Agricultural Land Qualified Agricultural			
		Cost Tax Credit			Form N-344
		o Credit for Hawaii income tax withheld on Form N-288			1
		p Credit for Hawaii income tax withheld on Form N-4			
		(Nonresident shareholders only)			
		q Pro rata share of net income tax paid by the S corporation to			See Shareholder's Instructions for Schedule K-1 (Form N-35)
		states which do not recognize the corporation's "S" status.]
		(Resident and part-year resident shareholders only)			
	13	Property distributions (including cash) other than dividend distributions			1
		reported to you on federal Form 1099-DIV			
	14	The second secon			
ms	15	•			
Other Items	16	·			See Shareholder's Instructions
	17	1 3			for Schedule K-1 (Form N-35)
O	18	a Corporate adjustments to income attributable to Hawaii			
		(attach schedule) b Personal adjustments to income attributable elsewhere			
	10	•)
	-	Interest penalty on early withdrawal of savings			
lits	20	a From IRC section 42(j)(5) partnerships			Form N-586, Part III
Çrec		b Other than on line 20a			1 0111111 000, 1 411111
ax (21	Capital Goods Excise Tax Credit Properties.	See attached N-312, Part II.		Form N-312, Part II
Recapture of Tax Cred	22		Joo anaonou ivoiz, i aitil.		Form N-312, Part III
ure	23	Recapture of Tax Credit for Flood Victims			Form N-338
apt	24	·			1 01111 14-330
Bec		Cost Tax Credit			Form N-344
Supplemental Information	25	Supplemental information for lines 6, 8, 9, 10, 18a, or other items and amou (attach additional schedules if more space is needed):	ints not included in lines 1 through 2	24 that are required to be reported s	separately to each shareholder